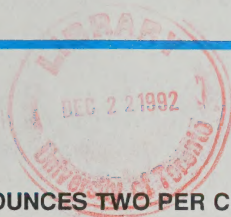




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TREASURER ANNOUNCES TWO PER CENT TRANSFER PAYMENTS FOR 1993-94

Toronto -- Ontario Treasurer Floyd Laughren announced today that next year's funding to the government's major transfer recipients -- municipalities, schools, colleges, universities and hospitals -- will increase by two per cent.

Laughren said this increase would be a one-time only payment, for 1993-94, and would not go into the base funding.

"Last January, we also announced a two per cent increase for 1994-95. However, given the current fiscal reality, we cannot provide our partners with this increase," he said.

"This means that we are capping base funding to our major transfer partners for the next two years at the current year's level. This will continue to reduce the spending trend lines in these sectors -- in line with our overall strategy for managing government spending."

"We have acknowledged the commitment we made to our major transfer partners last year," Laughren said. "We feel that our partners have a reciprocal obligation to the province and to its taxpayers to build on the progress already made."

"Last year, they were very successful in their restructuring efforts: in spite of the historically low increase, jobs and services were maintained." Funding increases for 1992-93 were one per cent, after years of increases averaging more than 8 per cent, he said.

Laughren also tabled the Fiscal Outlook, which shows that, while operating expenditures for 1993-94 are on track, revenues are now projected to be \$4.2 billion less than planned.

To start to deal with the revenue shortfalls, Laughren pointed to a number of additional measures, including:

- changes to the Ontario Student Assistance Program which will both achieve long-term cost-savings and ensure accessibility to post-secondary education.
- savings in compensation and pay equity payments.

Laughren estimated that these measures, along with the decision on major transfers, would save Ontario taxpayers \$600 million in the coming fiscal year, and \$1.2 billion in 1994-95.

The Treasurer also referred to the government's Multi-Year Expenditure Plan designed to reduce expenditures across all ministries over the next three years.

"These measures are but one component of this government's over-all approach to fiscal planning for the 1993 Budget," he said. "Between now and next spring's Budget, we *must* make additional revenue and expenditure decisions to close this revenue gap. We have already demonstrated that this can be done."

Laughren also pointed out that the province made significant headway in containing costs this past year. Growth in government operating spending fell to 4.8 per cent, after a decade of increases averaging over 10 per cent. If public debt interest were excluded, growth in operating spending would be 2.8 per cent this year.

"In the 1992 Budget, this government said that it had three long-term priorities: investing in economic renewal, preserving services and keeping the deficit in check. Those are still our priorities. And we have made a significant start," Laughren said.

"This government has shown its commitment to expenditures on training, labour adjustment and infrastructure -- about \$4.5 billion this year -- to support job creation and economic renewal. Through reform and restructuring, we are preserving the services that Ontario values. And in the coming months we will continue to develop our plans for the 1993-94 fiscal year," he said

"We look forward to the input and informed debate of the people of this province as we move into our pre-Budget discussions on how best to meet these challenges," he said.

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FOR MORE INFORMATION, CALL:

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